

VZCZCXYZ0016
PP RUEHWEB

DE RUEHJA #7662 1671009
ZNR UUUUU ZZH
P 161009Z JUN 06
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC PRIORITY 5961

UNCLAS JAKARTA 007662

SIPDIS

SENSITIVE
SIPDIS

STATE FOR EAP/MTS; EB/TPP/BTA/ANA
USTR FOR DKATZ AND BWEISEL

E.O. 12958: N/A
TAGS: [ETRD](#) [ECON](#) [PREL](#) [ID](#)
SUBJECT: MINISTER OF TRADE REQUEST GSP TRADE RELATED
EARTHQUAKE ASSISTANCE

1. (SBU) Embassy recieved on June 15 the following letter from Minister of Trade Mari Pangestu to USTR Susan Schwab requesting that the U.S. Government consider providing termprary GSP access for textile and garment companies in areas affected by the May 27 earthquake in the regions of Jogjakarta and Central Java.

2. (SBU) BEGIN TEXT OF MINISTER OF TRADE'S LETTER

Minister of Trade of the Republic of Indonesia
Our Ref. No. 507 /M-DAG/6/2006 Jakarta, 13 June 2006
H. E. Ambassador Susan C. Schwab
US Trade Representative
Washington, D. C.
U.S.A.

Dear Ambassador Schwab,
As I am sure you are aware, the recent earthquake in central Java has had a devastating effect on the social and economic fabric of the region. Our Government has just launched a three month state of emergency.

The causalities figures are very substantial with severe damage to infrastructure, manufacturing complexes, and retail and distribution outlets. From the perspective of the Ministry of Trade, we are urgently focusing efforts to try to reopen markets so that essential foods can again be traded.

We are most grateful for the support shown by foreign donors and in particular the willing and spontaneous assistance provided by the US Government. Our Government is also relying heavily on the manufacturing base in the region to assist in the relief process. Most of these companies have temporarily closed down to focus their efforts on helping the population in the immediate environment by providing temporary shelter, blankets and food. The efforts of these companies are significant and instrumental in relieving the pain and distress in those areas where the relief efforts have still not reached.

The manufacturing base in the region affected comprises of furniture, handicraft industries such as silverware, textiles and garment. In discussing the relief effort with the Indonesian Textile Associations (API), I was informed that over 80 of their member companies are affected by the earthquake and this figure will be higher as not all textile and garment companies are members of the API.

Bearing in mind the devastating effect of the earthquake and the key role being played by companies in the relief effort, I wish to request the US Government to consider provide temporary GSP access for textile and garment companies in the affected regions. This temporary access would not only

contribute to the recovery process of the companies affected, but it would also represent a form of acknowledgement of the efforts they have made in trying to restore some form of normality in their immediate environment.

I do not believe that this temporary access would lead to a surge in exports that would damage the US industry in that our own manufacturing base is overshadowed by Asian neighbours and the region of Central Java represents a relatively small portion of the overall capacity of the textile and garment industries in Indonesia.

I am most willing to provide all the information to support this request for temporary access for GSP treatment. I do look forward to hearing from you as soon as possible.

Sincerely yours,
Mari Elka Pangestu

CC: Ambassador of the Republic of Indonesia to the USA
Washington, D.C.

END TEXT MINISTER OF TRADE'S LETTER
AMSELEM